

Message Text

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ACTION EUR-12

INFO OCT-01 EA-10 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 DOE-15 H-01 INR-10 INT-05
L-03 NSAE-00 NSC-05 OMB-01 PM-05 ICA-11 OES-07
SP-02 SS-15 STR-07 TRSE-00 ACDA-12 /138 W
-----000826 021804Z /47

R 021557Z MAY 78
FM AMEMBASSY ROME
TO SECSTATE WASHDC 2441
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY PARIS
AMEMBASSY VIENTIANE

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FOR USEEC, IEA

E.O. 11652: N/A
TAGS: ENRG, IT
SUBJECT: AGIP (ENI)/PETROVIETNAM OIL EXPLORATION AGREEMENT

1. AGIP OF THE ENI GROUP SIGNED AN OIL EXPLORATION AGREEMENT WITH PETROVIETNAM ON APRIL 18, SHORTLY AFTER THE CONCLUSION OF PETROVIETNAM'S AGREEMENT WITH THE WEST GERMAN PETROLEUM FIRM, DEMINEX. THE AGIP CONTRACT COVERS 15,000 SQUARE KILOMETERS (ALMOST TWICE THE AREA OF THE DEMINEX AGREEMENT) IN TWO AREAS WHICH BEGIN APPROXIMATELY 300 KILOMETERS FROM THE MOUTH OF THE MEKONG RIVER DELTA. AGIP WILL EXPLORE FOR OIL IN WATERS RANGING FROM 80 TO 200 METERS DEEP.

2. UNDER THE TWO SERVICE CONTRACTS (ONE FOR EACH AREA), AGIP WILL MAKE ALL INVESTMENTS RELATED TO EXPLORATION, DEVELOPMENT, AND PRODUCTION OF ANY COMMERCIALY VIABLE OIL FINDS. ONCE PRODUCTION BEGINS, AGIP WILL RECOVER ITS
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INVESTMENTS ON A PREARRANGED AMORTIZATION PLAN. IT WILL ALSO BE REIMBURSED FOR ITS SERVICES THROUGH ACQUIRING A SPECIFIED AMOUNT OF PRODUCTION AT QUOTE MARKET PRICE UNQUOTE LESS PREVIOUSLY AGREED DISCOUNT. AGIP ANNOUNCED THAT IT WILL BEGIN EXPLORATION WITHIN A FEW MONTHS.

3. AT PRESENT, AGIP IS OPERATING UNDER TWO
PRODUCTION SHARING AGREEMENTS IN THE CHINESE SEA;
IN THE SOUTHERN CHINA OFFSHORE AREA, IN A CONSORTIUM
WITH PHILLIPS AND TECNICO (ALSO ENI GROUP), AND IN
THE ISLAND OF SALAWATI (INDONESIA), ALSO IN A
CONSORTIUM WITH PHILLIPS AND CONTINENTAL. AGIP IS
ALSO LOOKING AT POSSIBLE ONSHORE EXPLORATION IN
NORTHERN VIETNAM.GARDNER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, EXPLORATION, AGREEMENTS, BUSINESS FIRMS
Control Number: n/a
Copy: SINGLE
Draft Date: 02 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1978/newtext/t197805102/aaaadixy.tel
Line Count: 70
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Litigation History:
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Original Classification: LIMITED OFFICIAL USE
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TAGS: ENRG, IT, DEMINEX
To: STATE
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